VZCZCXYZ0000 RR RUEHWEB

DE RUEHWL #0717/01 2540523
ZNY CCCCC ZZH
R 110523Z SEP 06
FM AMEMBASSY WELLINGTON
TO RUEHC/SECSTATE WASHDC 3254
INFO RUEHBY/AMEMBASSY CANBERRA 4533
RHEHAAA/NATIONAL SECURITY COUNCIL WASHDC
RUEKJCS/OSD WASHINGTON DC
RHHMUNA/CDR USPACOM HONOLULU HI
RHHJJAA/JICPAC HONOLULU HI

C O N F I D E N T I A L WELLINGTON 000717

SIPDIS

SIPDIS

STATE FOR D (FRITZ), EAP/FO, AND EAP/ANP NSC FOR VICTOR CHA SECDEF FOR OSD/ISD LIZ PHU PACOM FOR J01E/J2/J233/J5/SJFHQ

E.O. 12958: DECL: 09/08/2016

TAGS: PREL PGOV NZ

SUBJECT: GNZ SHOULD IMPROVE U.S. TIES, SAYS FORMER NZ

**AMBASSADOR** 

Classified By: Deputy Chief of Mission David J. Keegan, for reasons 1.4 (b) and (d)

Summary

-----

11. (C) New Zealand's former Ambassador to the United States, John Wood, told an inflential local international affairs organization that New Zealand should take the initiative to improve US-NZ ties. Wood cited GNZ officials' anti-US election campaign rhetoric as a low point in the relationship. He said New Zealand's lack of a FTA with the United States has already hurt US corporate interest here. Wood also vigorously denied former PM Lange's claims that Wood had acted without GNZ instruction when he tried to accomodate the U.S.S. Buchanan's visit to New Zealand after the country established its anti-nuclear policy. While our foreign affairs contacts appreciate Woods' effort to boost US-NZ ties, many wonder why he did not criticize his government publicly before leaving his post in Washington for retirement early this year. Others say Wood oversold to PM Clark his ability to bring home a US-NZ Free Trade Agreement and failed to alert GNZ to Washington's continued concerns over New Zealand's anti-nuclear legislation and other issues. End Summary.

Don't change the ban, change the attitude

 $\P2$ . (SBU) Wood was a guest of the New Zealand Institute of International Affairs on September 4 and spoke to an audience largely made up of New Zealanders, including former and current diplomats, academics, and journalists. Wood started his off-the-record speech, the first since returning from Washington, by announcing that he does not advocate a change in New Zealand's anti-nuclear policy. But he noted that while the present state of the US-NZ bilateral relationship is acceptable it does not fully serve New Zealand's interests and as a small country it was up to New Zealand to improve things. He also said New Zealand must accept the reality that due to competing foreign policy demands, the United States will likely have little time or attention for New Zealand. Wood indicated the current NZ government lacks the needed political leadership to reach out to the United States. The use of anti-American rhetoric in the last general election (September 2005) was a low point in GNZ insensitivity to U.S. perceptions, according to Wood. He said both governments need to be mindful of tonality, express policy differences

clearly and frankly, and be measured in their public statements.

¶3. (SBU) Wood hinted that mediocre relations were behind NZ's failure to get an FTA with the U.S. even though other countries ahead in the queue were "less qualified" than New Zealand. He said lack of an FTA has already caused a decline in US corporate interest in New Zealand. Expressing optimism that things could get better, Wood cited as positive indicators for change former Ambassador Swindells' July 2005 speech calling for a re-look at the relationship and Ambassador McCormick's comments about the importance of US-NZ economic cooperation.

## Wood slams Lange's Take on the US-NZ Rift

- 14. (SBU) Before his death, (former) Prime Minister Lange had publicly criticized Wood for his role in the US-NZ schism over the nuclear ban while serving as DCM in Washington. Lange claimed that Wood and other NZ bureaucrats had on their own initiative tried to negotiate an understanding that would have allowed the U.S.S. Buchanan to visit New Zealand. Wood told his audience he had in reality followed the PM's and Foreign Minister's direct instructions. He also spoke of his damage control work after the rift, which ultimately succeeded in large part due to the goodwill of US counterparts. He said President Clinton's efforts in 1993 to restore dialogue and Prime Minister Jim Bolger's visit to Washington in 1995 greatly helped to improve ties. Wood also claimed that there will be a good deal of published material that will refute David Lange's version of events surrounding the ANZUS rift. (Note. Wood was probably referring to a book by Kiwi historian Malcolm Templeton on the US-NZ split, due to be released next month. End Note.)
- 15. (C) Comment: Wood's speech, while delivered under Chatham House rules, will have an impact on an influential audience. It follows an editorial he wrote in late July calling for strengthening of US-NZ ties. During his retirement outbrief at the Ministry of Foreign Affairs and Trade (MFAT) earlier this year, Wood also reportedly lambasted senior MFAT officials for their frequent public negative statements about the United States, leading MFAT's CEO to order staff to be more cooperative with Embassy officers. Wood also used at least one farewell reception to slam the Labour government over its anti-American rhetoric during the 2005 general election campaign, noting the remarks had made his job as Ambassador significantly tougher. While our foreign affairs contacts are glad he's speaking out now, more than one have questioned why Wood did not publicly criticize Labour before leaving Washington. Others say Wood deserves part of the blame for sub-optimal Washington ties, since as Ambassador he overplayed to PM Clark the likelihood of a US-NZ FTA and underplayed USG displeasure over Labour's campaign antics and continued concerns over NZ's anti-nuclear policy. Summary. McCormick